

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:3649
ANSWERED ON:16.05.2006
FDI IN TEXTILE SECTOR
Rao Shri Devarakonda Vittal

Will the Minister of TEXTILES be pleased to state:

- (a) the details on the FDI received in textiles sector in India;
- (b) FDI targeted during each of the last three years and received from each country;
- (c) whether FIs are keen to invest in textile firms in India particularly in bed linen and terry towels; and
- (d) if so, the response of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGO VAN)

(a) & (b): Government has been initiating policy measures to facilitate India becoming a global textile hub; and the industry has also started investing in modernization and expansion of capacity along the entire value chain of textile industry to exploit fully the opportunities available in the quota free scenario. No specific target is fixed for FDI. However, it has been the Government's endeavour to attract more and more FDI. The Government has permitted Foreign Direct Investment (FDI)/Non-Resident Indian (NRI)/Overseas Corporate Bodies (OCB) investment upto 100% under automatic route in the textile sector.

A statement showing flow of FDI in the textile sector country-wise during the last three years is annexed.

(c) & (d): The Indian capital market is endowed with strong regulatory framework which is conducive to greater longer term Foreign Institutions Investors (FIIs) participation. The FII base their investment decisions having regard inter-alia to the growth prospects of the sector.

Statement referred to in Parts (a) and (b) of the reply to the Lok Sabha Unstarred Question No. 3649 for 16.5.2006

Country-wise FDI inflow in the textile sector during the last three years.

(Amount in Rs. Crores)

S. No. Country 2003-04 2004-05 2005-06 Total
Apr-Mar Apr-Mar Apr-Feb (Apr 2003 to
Feb 2006)

1. Australia	0.00	0.00	0.25	0.25
1. Belgium	0.01	0.00	0.01	0.02
2. Canada	1.36	0.00	0.00	1.36
3. Cayman Island	0.00	0.00	9.00	9.00
4. Channel Island	0.00	0.00	1.25	1.25
5. Denmark	0.25	9.00	15.21	24.46
6. France	0.00	0.00	2.72	2.72
7 Germany	0.02	7.09	0.01	7.12
8. Hong Kong	0.52	4.95	4.67	10.14
9. Ireland	0.20	0.00	0.00	0.20
10. Italy	0.39	0.28	24.61	25.28
11. Japan	0.00	0.00	118.26	118.26
12. Lebanon	0.01	0.00	0.00	0.01
13. Korea (South)	5.64	0.00	0.01	5.64
14. Luxembourg	13.21	0.00	24.75	37.96
15. Mauritius	0.00	88.25	55.36	143.61
16. NRI	0.00	74.96	0.10	75.06
17. Nepal	0.00	0.35	0.00	0.35
18. Netherlands	1.46	0.01	46.05	47.51
19. Singapore	0.00	0.88	0.00	0.88
20. South Africa	0.01	0.00	0.00	0.01
21. Sri Lanka	0.00	0.00	1.01	1.01
22. Sweden	5.00	3.50	0.00	8.50
23. Switzerland	5.70	1.67	0.11	7.48

24. Thailand	0.00	2.49	0.00	2.49
25. U.A.E.	2.36	0.00	1.61	3.97
26. U.K.	1.27	0.08	8.01	9.36
27. U.S.A.	5.45	2.17	2.43	10.04
28. British Virginia	0.00	0.00	6.51	6.51
29. Unindicated Country	0.00	1.16	34.00	35.16
Grand Total	42.84	196.84	355.92	595.61

Source: Department of Industrial Policy & Promotion.